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TAGS: [PREL](#) [PGOV](#) [KNUC](#) [KNNP](#) [ECON](#) [TSPA](#) [RS](#) [IN](#)
SUBJECT: PRESIDENT MEDVEDEV INDIA VISIT CONFIRMS CIV-NUKE
ASSISTANCE, CONTINUED DEFENSE COOPERATION, WARM TIES

REF: NEW DELHI 2764

Classified By: Political Minister-Counselor Ted Osius for Reasons 1.4 (B, D)

11. (C) Summary. Russian President Dmitry Medvedev capped off a 24 hour visit to India by delivering as promised on agreements for civil nuclear, space and defense cooperation. Medvedev expressed Russia's solidarity with India in the war on terror in the wake of the Mumbai attacks, reiterating a commitment to strengthen international cooperation to combat terrorism. Both sides called for greater Indo-Russian interaction in a host of regional organizations, including the Russia-China-India trilateral dialogue, the ASEAN Regional Forum, the Shanghai Cooperation Organization, and the BRIC (Brazil, Russia, India, China) format. Repeating past statements, the two sides called for the Iranian nuclear issue to be settled through dialogue and negotiation, agreeing that Iran has the right to develop nuclear energy for peaceful purposes. Medvedev's visit was part of a series of scheduled annual summits, this time to close the "Year of Russia in India." End Summary.

----- Reassurance of a long-standing friendship -----

12. (C) President Medvedev arrived in India late on December 4 for what was billed as a three-day visit but essentially contained one full working day, cut short when Medvedev departed on the evening of December 5 to return to Moscow for memorial services for Russian Orthodox Church patriarch Alexi II. The visit was part of the ongoing annual India-Russia summits, and marked the official closure of "The Year of Russia in India," which included over 150 seminars, meetings and cultural events in India. Russian Embassy Political Counselor Valery Khodzaev told Poloff the visit had "exceeded expectations," although in Post's view the "deliverables" of Medvedev's visit were items already agreed to and generally available to the public, and/or reaffirmations of past positions. (Reftel, a readout of Foreign Minister Lavrov's visit to India on October 20, previewed all of the major deliverables from the Medvedev visit.) Hardnews editor Sanjay Kapoor opined to Poloff that Medvedev's visit was essentially pro forma in substance, however it provided both country's leaders with a tangible reference for reassuring their publics that relations between the two old friends remain strong, despite appearances that they may be slipping. "India and Russia have been looking for a way to reassure each other that their long-standing friendship is still there," Kapoor said.

----- Civ-Nuke cooperation gains headlines -----

¶3. (C) Pro forma or not, Medvedev was able to gain coverage in Delhi -- no small task given the Indian public's attention to the aftermath of the November 26-28 terror attacks in Mumbai -- with several announcements, most prominently an agreement confirming cooperation to construct four new (in addition to the two existing) nuclear power plant units at the Kudankulam site in Tamil Nadu. Khodzaev denied press reports that India and Russia also discussed an additional two nuclear plants (which would bring the total to eight), pointing out that it took eight years to get the first two plants operational, while also noting that Russia had a backlog for building nuclear plants due to orders from Bulgaria, China and elsewhere. He added that the first of the four new plants could be commissioned as early as the end of 2008.

----- Space cooperation in manned flight, satellites -----

¶4. (C) Also making news, in addition to the civ-nuke agreement, India and Russia signed a Memorandum of Understanding for joint activities in the field of space. Khodzaev described the space discussions as having two parts: one which aims to have Russia send an Indian cosmonaut into space (press reported as early as 2013), then assist in launching a manned Indian spacecraft in 2015; the other a generalized commitment to cooperate on the Russian Global Navigation Satellite System (GLONASS). Prime Minister Singh stated that this space agreement signaled a new milestone in

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the two countries' history of cooperation in the field.

----- Defense cooperation to move ahead; 80 helicopters sold -----

¶5. (C) With the defense relationship under criticism in recent months as Russia's reliability as a supplier has come to be questioned at the same time as competition for the Indian market has heated up, the two sides went to great lengths to highlight their desire for greater overall defense cooperation. Prior to the visit, President Medvedev said that he wished to transform the Indo-Russian relationship from one of "buyer-seller" to one of partnership, and during the visit Prime Minister Singh emphasized that the two sides would increasingly focus on joint production and research and development. Khodzaev reported that the atmospherics surrounding defense cooperation talks were positive despite the recent misunderstandings, with the Indians signaling they wished to resolve disagreements for mutual benefit. Despite the emphasis on equal partnership, the defense-related deliverable of the visit was the announcement of a straight sale, a \$1.2 billion contract for 80 Mi-17V-5 helicopters. The medium-lift utility helicopters are scheduled to arrive in India between 2010 and 2014, and include an offset obligation to the Russians of over \$400 million.

----- A push for regional cooperation, particularly on Afghanistan -----

¶6. (C) Regional architecture and greater Indo-Russian cooperation in existing fora were the focus of several paragraphs in the joint statement, reflecting what Khodzaev described as one of the longer discussion topics during meetings. Medvedev put particular emphasis on the Shanghai Cooperation Organization (SCO), urging India to use its observer status to become more involved in regional issues. Specifically, Medvedev pushed India to support a Russian initiative for a special conference on Afghanistan to include SCO member states and observers in early 2009. The conference would have two main areas of focus, according to Khodzaev. First would be to form a "security belt" around Afghanistan with neighboring countries committing to fight against drug trafficking, criminal activities, contraband and

other trans-border security threats. The second "belt" would be cutting off financial support for terrorists and criminals in and surrounding Afghanistan, by having neighboring countries and the international community cooperate better on preventing financial networks from being used. Medvedev also pressed for India to be represented at the next SCO summit at the Prime Minister level -- which it has never done before -- and while there was no commitment from PM Singh, there were "positive signals," according to Khodzaev. (Note: India-Central Asia Foundation Director and Russia expert Dr. Nirmala Joshi told Poloffs she doesn't believe India will participate in the SCO at the Prime Minister level next year or for the foreseeable future, as long as India's observer status equals second class status in the group. End note.)

17. (C) Both sides noted their satisfaction with cooperation in the Russia-China-India trilateral dialogue as well as the BRIC (Brazil, Russia, India, China) format. Calling BRIC a "promising cooperation mechanism of the four most dynamically developing large economies of the world," the joint declaration called for the G-8 to further cooperate with major emerging economies to "establish an advanced mechanism of collective leadership in world affairs." The declaration also called for strengthening the central role of the United Nations in establishing a multipolar world order, while declaring the two countries' intentions to enhance collaboration in the ASEAN Regional Forum and the Asia Cooperation Dialogue. India also offered its support for Russia to join the Asia-Europe Meeting and the East Asia Summit. Khodzaev noted that one of the few areas of dispute in drafting the joint declaration came over the question of United Nations reform, particularly the issue of Security Council, where India pushed for an explicit vote of support for its permanent membership, while Russia maintained its view that India is a strong candidate, however the specifics of membership will need to be decided by the widest possible consensus in the General Assembly.

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----- Looking for \$10 billion in annual trade -----

18. (C) The Russians pressed for increased economic ties, specifically looking for strategies and mechanisms to achieve the previously agreed upon goal of reaching \$10 billion in annual bilateral trade. A large delegation of Russian private businesspeople were in Delhi to complement Medvedev's visit, and the two sides approved a mechanism to begin implementing the Indo-Russian equivalent of the Indo-U.S. CEO Forum. Russia has greatly diversified its trade with India since the fall of the Soviet Union, Khodzaev explained, and India has signaled a desire to expand trade in all directions. India paid special attention to Russia's energy reserves, and Khodzaev said the talks included the possibility of Indian involvement in a Sakhalin III oil/gas project. He noted that Russia expect the 2008 bilateral trade figure to be right around \$7 billion.

----- Solidarity following Mumbai terror attacks -----

19. (C) While not widely reported in the Indian media, Khodzaev told Poloff that the terrorist attack in Mumbai and the fallout for India-Pakistan relations were also a major topic. Citing a common threat by terrorists with links to Pakistan, and noting that militants active in the Caucasus have ties to Al-Qaeda and other foreign groups, Medvedev declared Russian solidarity with India in the war on terror in the wake of the November 26-28 terrorist siege of Mumbai. Medvedev told PM Singh that Russia stands ready for cooperation in all areas with a view to preventing all such acts of terrorism, investigating the recent attack, and establishing a global system of protection against terrorism. He also told the Prime Minister that Russia wants to support the part of Pakistan which supports better bilateral relations between India and Pakistan. Khodzaev said that he was not aware of any calls made by Medvedev to Pakistani

leadership during the visit or anytime prior to the visit. He added that Russia intends to talk more specifically about what kind of counter-terrorism assistance it could offer during the two countries' annual C/T working group scheduled to take place in late December.

----- Reiterating their call for dialogue and negotiation on Iran -----

¶10. (C) Turning to Iran, the two sides announced through their joint declaration that they support Iran's right to develop and use nuclear energy for peaceful purposes, and called on the Iranian nuclear issue to be resolved through dialogue and negotiation. They did call on Tehran to conform with relevant UN Security Council resolutions to restore the trust of the international community.

----- Agreements signal end of "Year of Russia in India" -----

¶11. (C) In all, the two sides signed a total of ten agreements during the visit, ranging from the civ-nuke plans, space cooperation and helicopter sales described above, to ones describing the protocol for an intern-governmental commission on trade cooperation, an action plan for cooperation in the field of tourism, and a memorandum of understanding helping to establish an equivalent of the U.S.-India CEO Forum. (Note: the full list of agreements and full text of the joint declaration can be found at the Ministry of External Affairs website: meaindia.nic.in. End Note.) In addition to being part of the annual, scheduled Indo-Russia summit meetings, this visit by Medvedev brought a ceremonial close to the "Year of Russia in India," and opens the way for the "Year of India in Russia" in 2009.

----- Comment: Not much there there, but still good friends -----

¶12. (C) Comment. While not much resulted from the visit, its ceremonial and public aspects suggested continuing nostalgia for a time when India-Russia relations had both warmth and substance. The timing of the visit certainly worked in Russia's favor -- Medvedev was the first foreign head of

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government to visit India following the Mumbai terror attacks, a fact that was noted by Indian media -- but Post suspects both sides were able to call the visit a success for the reason Sanjay Kapoor gave: that India and Russia were eager to have something concrete to point to which could show the friendship remains strong, despite appearances to the contrary. Post expects India-Russia relations will remain friendly, not only because India's independent foreign policy (read: not too close to the U.S.) and geostrategic position necessitate good working relations with Russia, but also because India appreciates Russia's friendship, even if the two friends seem to have outgrown the relationship. But if "The Year of Russia in India" could only produce a civ-nuke deal (which piggybacked on the U.S.-India deal and followed that of France-India), the sale of 80 helicopters (while an aircraft carrier deal continues to sour with a \$2 billion cost overrun and lingering "minor problems" threaten to scuttle a deal to lease an Akula-II class nuclear submarine), and some promises for closer cooperation in other areas such as tourism, then it's an underwhelming year.

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